



STATE OF TENNESSEE
Finance and Administration
AMENDMENT # 3
RFP # 317.03-127

November 18, 2005

The subject RFP is hereby amended as follows.

A. The following RFP Schedule of Events updates or confirms scheduled RFP dates.

EVENT	TIME	DATE	UPDATED/ CONFIRMED
1. State Issues RFP		October 25, 2005	CONFIRMED
2. Disability Accommodation Request Deadline		November 1, 2005	CONFIRMED
3. Pre-proposal Conference	1:00 p.m.	November 3, 2005	CONFIRMED
4. Notice of Intent to Propose Deadline		November 7, 2005	CONFIRMED
5. Written Comments Deadline		November 10, 2005	CONFIRMED
6. State Responds to Written Comments		November 18, 2005	CONFIRMED
7. Proposal Deadline	2:00 p.m.	November 30, 2005	CONFIRMED
8. State Completes Technical Proposal Evaluations		December 13, 2005	CONFIRMED
9. State Opens Cost Proposals & Calculates Scores	9:00 a.m.	December 14, 2005	CONFIRMED
10. State Issues Evaluation Notice & Opens RFP Files for Public Inspection	9:00 a.m.	December 16, 2005	CONFIRMED
11. Contract Signing		January 3, 2006	CONFIRMED
12. Contract Signature Deadline		January 10, 2006	CONFIRMED
13. Contract Start Date		January 16, 2006	CONFIRMED

B. The following State responses to the questions detailed shall amend or clarify this RFP accordingly.

QUESTION/COMMENT	STATE RESPONSE
1. 1. In reviewing the archive information, there is a rate matrix, but it doesn't appear to have 2 of the awarded vendors on it. Tek systems and KBM are not listed, so is this matrix from an even earlier RFP? 2. Also, there is a spreadsheet that lists the various state offices and their monthly spending, and that totals \$29 million. Is that a monthly amount, or annual amount?	1. Yes, the information found at PCM's Archive link is for the previous contract from 4/17/2000 – 4/16/2003. 2. The \$29 million is an annual amount. Again, this information is for the previous RFP.
2. 1. If I sort of use the archive documentation on the last IT Pro Services contract, it looks like there are somewhere around 300 contractors being used, is that about right? 2. Typically, do those folks migrate to new vendors once awards are made (providing their current vendor is not selected)?	1. Yes, there were approximately 300 contractors assigned in the previous ITPRO contract. However, currently there are approximately 93 contractors assigned to the State. 2. Historically, yes, most of the contractors transitioned to other vendors if their vendor was not awarded a contract. However, there are no guarantees that this pattern will continue.
3. 1. Also, I'm curious, since SCB was awarded a contract and Ciber purchased them last year, is their agreement still	1. Yes, the agreement is still in effect.

<p>in effect?</p> <p>2. If so, I'm sure there was a rate difference, did you just stay with the SCB rate's?</p>	<p>2. The rates remained the same.</p>
<p>4. There appear to be some major shifts in the skill demands based upon the "weight" change with some of the positions. What information can be provided to the vendors to explain some of the anticipated positions needs shift in the last three years?</p>	<p>There were many factors that determined the weights in Attachment 6.4. In the RFP that resulted in the current contract, the State based the weights on actual numbers of individuals in each job class. To use the total staffing figures from the current contract would have skewed the weights since the contractor population has declined since the beginning of the contract.</p> <p>Also, the job classifications had not been 'overhauled' in five years so they were reviewed and updated according to the State's current need. This resulted in some job classifications being removed due to inactivity and some were absorbed into others.</p> <p>While the weights in Attachment 6.4 do not represent actual staffing figures, they are a representation of the estimated relative weights of each job classification compared to the other job classifications.</p>
<p>5. Also, I believe you asked us to make a request to you for the break-down of the current and past consultants working for the State. The 100 or so that you mentioned. I believe that from a historical view you can share firm names, breakdown of rates and timeframes for the MOU's.</p>	<p>At its peak, there were approximately 270 contractor personnel assigned to ITPRO. As of November 11, 2005, there are 93 active ITPRO contractor personnel assigned to State projects. A report was created to provide the information requested with the current active ITPRO contractor personnel only. Please see the "Active By Vendor" spreadsheet on the following website: http://state.tn.us/finance/oir/pcm/rfps.html</p>
<p>6. Total dollar value (or aggregate) of the 3 contracts awarded (historical \$ spent to date).</p>	<p>The total dollar amount paid by the State as of October 1, 2005 is \$28,400,051.81.</p>
<p>7. We are likely to sub under a prime on this bid. So, my question is, can a sub do work for more than one prime on this bid? Or, do we have to agree to sub under only 1 prime and hope that prime gets the award?</p>	<p>Yes, the vendor can sub for more than one prime. However, you cannot submit a Proposal for RFP #317.03-127 as a prime contractor and also be submitted as a subcontractor to another prime on the same RFP. See RFP Section 4.3.7.</p>
<p>8. Is it ok to submit proposals for only six positions? Are all 18 positions preferred?</p>	<p>To submit a Proposal for this RFP, the Proposer must propose all eighteen (18) Job Classifications listed in the RFP. Proposing fewer Job Classes will result in disqualification of the proposal.</p>
<p>9. Will any deliverables-based Vendor-managed project work be ordered under the ITPRO contract vehicle or only staff augmentation services managed by the State?</p>	<p>There are no plans under this procurement for any services other than staff augmentation.</p>
<p>10. Does the State require winning vendors to maintain administrative offices in Nashville, TN?</p>	<p>The RFP does not require winning vendors to maintain administrative offices in Nashville. However, the <i>pro forma</i> contract, Section C.4.a defines the 'Official Station' as Nashville. Therefore, if the Proposer does not have an office in Nashville, in RFP Attachment 6.3, Section C, Item C.2., the Proposer must describe how they would overcome any limitation caused by a remote administrative office.</p>
<p>11. What are the current max rates for each of the three current vendors using the Year 3 rates after the CPI adjustment?</p>	<p>The current ITPRO contract period is for three years only. (Two years with an option to extend). The option to extend was exercised and the contract was extended to Year 3 (3/1/2005 – 2/28/2006). The three winning vendors submitted only Year 1 and Year 2 rates. To determine the Year 3 rate for the extension period, the Year 2 rates were increased by the CPI Index of 3.3%.</p>
<p>12. What information is required in the response to the RFP for adding subcontractors to our team?</p>	<p>Please see RFP Attachment 6.3, Section B, Item B.12. for the information requested.</p>
<p>13. Can the state post the vendors that have submitted the Letters of Intent?</p>	<p>Yes, see the "Letter of Intent List" on the following website: http://state.tn.us/finance/oir/pcm/rfps.html</p>

14.	Does the prime need to get references for sub-contractors?	No, the references are for the Prime only.
15.	Does the State plan to use the Consumer Pricing Index(CPI) for the third year of the contract to pricing?	Yes, please see Section C.3.b.ii in the <i>pro forma</i> contract for a description of the process.
16.	Section D.4 allows the State to terminate a vendor's contract for default without giving the vendor a chance to cure. Would the State consider including a reasonable cure period that would allow vendors the opportunity to repair its errors for the benefit of the State?	The State will not agree to a cure period.
17.	Section E.19 requires vendors to broadly indemnify the State for all damages arising from a vendor's actions or omissions. Would the State consider including a reasonable limitation of liability provision that may allow vendors to provide the State more competitive pricing?	The State will not consider adding a provision for limitation of liability.
18.	The RFP does not include a nonsolicitation provision that would provide vendors a reasonable period before making its staff available for hire from the State. Would the State consider including such a nonsolicitation period, thereby giving vendors a better opportunity to provide resources requested by the State?	No, the State will not consider this request.
19.	Section B.11 – Indicates the proposer should estimate the hours for each of the members of the proposed team. Should we assume that is on an annual basis?	Yes, your assumption is correct. Please estimate the hours on an annual (per contract year) basis.
20.	Were there any requests by the State for a vendor to provide off-site work facilities under the current ITPRO contract? Reference 6.1, A.4.	With the exception of occasional State approval for contractors to work from home or while traveling, the State is not aware of any requests for off-site work facilities under the current contract. However, to clarify the intent of the reference quoted, the <i>pro forma</i> contract, Section A.4, addresses the individual contractor personnel. It is not referring to off-site work facilities.
21.	Would the State give the following information on each of the three current vendors? Number of Contractors and their corresponding Job Classifications.	See the "Job Class Count" spreadsheet on the following website: http://state.tn.us/finance/oir/pcm/rfps.html
22.	Please confirm our interpretation of 6.1, E.8 that a vendor can recruit State employees for employment if done before 8:00 am CT or after 5:00 pm CT at any location except in a State facility?	The State's requirements remain as stated in the <i>pro forma</i> contract, Section E.8.
23.	Does statement on prohibited advertising [sic] (6.1, E.15) prevent a vendor from listing the State of Tennessee as a client in their brochure or marketing material?	In accordance with the <i>pro forma</i> contract, Section E.15, the vendor may list the State as a client; however, the vendor may not imply that the vendor or the vendor's services are endorsed by the State.
24.	Will the Proposal Evaluation Team be made up of State employees who are ITPRO users? If not, will they have first hand knowledge of the ITPRO staffing contract and its history or at least have some extensive experience working with IT Professional Services vendors? We hope that consideration will be given (if not already) to have the Team made up of current or previous experienced ITPRO users.	The State will construct an evaluation team with experience deemed appropriate by the State to enable the team to effectively evaluate the proposals.
25.	Will important information [sic] provided by bidders be verified before a contract is awarded/signed? If not, this process might encourage some bidders to fudge on their data and puts honest firms at a severe disadvantage. Suggest the State advise bidders there will be spot checks to verify data provided by the 3 apparent winners.	RFP Section 4.4, gives the State the ability to reject a proposal if it is determined that "incorrect information that the Proposer knew or should have known was materially incorrect." Also, in accordance with Section A.14 of the <i>pro forma</i> contract, the State's expectations are defined in relation to the contractor's performance and the subsequent consequences if the standards are not met. If the vendor cannot perform, the State has the option to devolve to the next best-evaluated vendor.
26.	Will the State contact the proposed subcontractors to verify they have agreed to supply personnel and the scope or	The State does not intend to contact subcontractors during the evaluation process. However, if any vendor fails to

	portions of work they will perform for Proposer? Section B, B.12.	perform, the State has recourse as described in the response to # 25 above.
27.	<p>Would the State consider amending Section B, B.14 to the following or something similar?</p> <p>Provide customer references for similar projects representing three of the larger accounts serviced by the vendor currently, or has served within the past three (3) years.</p>	<p>The State has previously amended B.14. Please see Amendment 2 on the following website:</p> <p>http://state.tn.us/finance/oir/pcm/rfps.html</p>
28.	<p>"The RFP Attachment 6.3, Technical Proposal and Evaluation Guide details specific requirements for making a Technical Proposal in response to this RFP."</p> <p>In which section (Technical or Cost) should the Proposal Score Summary Matrix be included?</p>	<p>To clarify, the Proposal Score Summary Matrix is not found in Attachment 6.3. The Matrix is in Attachment 6.5 and is for the State's use only.</p>
29.	<p><u>Hold Harmless.</u> The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.</p> <p>In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106.</p> <p>Clause E.19 of the <i>Pro Forma</i> contract opens the vendor to unlimited liability, which is atypical for this type of contract. We respectfully suggest that liability be limited and offer the following clauses for replacing E.19:</p> <p>"LIABILITY AND INDEMNIFICATION: The Supplier's liability to the State under any purchase order issued under the Contract shall be limited to: (i) the greater of \$1,000,000 or the value of the purchase order (including any amendments), for purchase orders of \$500,000 or more or (ii) the greater of \$100,000 or two (2) times the value of the purchase order for all other purchase orders, unless otherwise specified in the purchase order. This limitation will apply, except as otherwise stated in this paragraph, regardless of the form of action, whether in contract or in tort, including negligence. This limitation does not, however, apply to damages for:</p> <ul style="list-style-type: none"> A. Bodily injury; B. Damage to real property or tangible personal property for which the contractor is legally liable; or C. The Supplier's indemnity of the State for patent, copyright, trade secret, or trademark protection." 	<p>Please see response to # 17 above.</p>

30.	How many individuals was this RFP formally released to?	When the RFP was published, notification was sent to 31 vendors.
31.	Was this RFP released only to those individuals who currently have a contract in place with the State?	No. The notification list was compiled from four sources: 1. Vendors registered on the Tennessee Service Provider Registry System. 2. Vendors registered on the Governor's Office of Diversity Business Enterprise's registry. 3. Vendors that requested a notification be sent to them when the RFP was published. 4. Vendors with current contracts.
32.	In Section C.4 the State is requesting the total # of individuals in each Job Classification that our company currently has working or on "bench." Due to the reporting capabilities of our company, (PeopleSoft) some of the skill sets listed by the State are not included in our queries. (i.e. – Business analyst I, II) Our reports will only count Business Analysts. Is it safe to assume that we can count the total # of BA's and submit this # to the State?	In RFP Attachment 6.3, Section C, Item C.4, the instructions ask that the Proposer's response shall list eighteen (18) Job Classifications, followed by a number (or "count") for <u>each one</u> . The Proposer must comply with Attachment 6.3, Section C, Item C.4 and must not count any individual more than once.
33.	In Section C.5 the State is requesting the # of qualified individuals that our company would be able to provide to the State as of the "Anticipated Start Date". 1. Can this # represent the total # of individuals local to the area that we have available, as well as the total # of individuals available that would relocate for this job? 2. In addition, does this # allocate room for us to assume that we can recruit new talent specifically for the job prior to submitting resumes in response to a request?	1. In RFP Attachment 6.3, Section C, Item C.5 the instructions state that for contract personnel to be counted, the vendor must have a direct relationship, knowledge of availability, and must know the contractor will leave their current assignment. Also, they must be qualified for the specific job class and be available on the Anticipated Contract Start Date. 2. Please see the last, underlined paragraph in Section C.5. and Section A.10 of the <i>pro forma</i> contract.
34.	May we provide more than one state reference for the same state contract?	The State cannot make recommendations as to how many references a vendor obtains; however, the instructions in RFP Attachment 6.3, Section B, Item B.15 ask for a 'completed Reference questionnaire.'
35.	Section B 14 of attachment 6.3 clearly modulates the procedure for obtaining references. We have sent the said reference check forms but are skeptical whether the client (reference) would take his time out to fill in the form, seal and mail back to us. In such a case where we do not get three sealed envelopes, will it be considered enough, if we provide the information (name, contact number, etc)?	To accept contact information instead of a written, sealed reference would require the State to verbally obtain the reference after the proposal was submitted for evaluation. The State has no plans to change the reference check process from written to verbal.
36.	1. Can you give a current number of the existing positions by each job classification? 2. Do you expect this number to be representative of the number going forward or to remain the same?	1. Please see response to # 21 above. 2. The State makes no guarantee; however, for Year 1 the State anticipates transitioning most current positions in accordance with <i>pro forma</i> contract, Section A.15. Over time, numbers may fluctuate, up or down; please see Section A.10, of the <i>pro forma</i> contract.
37.	In section B.15 – 1. Do we need to request a reference from the State of Tennessee for each of the current and/or prior contracts beyond the three references mentioned in section B.14? 2. For example, We were on the prior ITPRO contract so would we need to get a reference on that contract? 3. If so, who would we get the reference for on the prior ITPRO contract? Travis - ITPRO Manager at the time?	1. Yes, the instructions in RFP Attachment 6.3, Section B, Item B.15, state that "For each listed current or complete State contract, the Proposer must provide a completed Reference questionnaire in the same manner and format as described in B.14 above." The Proposer may use the same reference in response to B.14 and B.15. 2. The prior ITPRO contract was a State contract and if you list them as instructed in B.15, you will need to obtain a reference. 3. The State cannot make recommendations as to whom the vendor should obtain a reference.
38.	How is Section B going to get scored? What are the individual areas scores and item weight?	It is not the State's intent for the thirty-five points of Section B to be divided amongst the fifteen questions. The entire section B will be scored as a whole from zero to thirty-five.
39.	We have a number of customer's whose policies will not allow them to provide written references. They would be happy to provide a verbal reference in the traditional format. As a result, the State's mandate for written	No, the State has no plans to change the reference check process from written to verbal.

	<p>references in combination with our customer's policies precludes us from being able to utilize our three largest and best accounts as references.</p> <p>Will the state change the reference check process and utilize the traditional verbal reference check format?</p>	
40.	Can the vendor submit only contact names of diversified business partners?	The State is unsure of the vendor's question. However, the State's requirements for diversity documentation are as stated in RFP Attachment 6.3, Section B, Item B.13.
41.	Section C.4 – Can the vendor use “bench” of partners to determine total numbers of candidates in each Job Classification?	Yes.
42.	How many contractors do you anticipate hiring in Year 1 and Year 2?	Please see response to # 36 above.
43.	If a contractor is extended and assumes a different role after extension, will the rate change as applicable to the position?	Contractor personnel will be paid commensurate with the rate assigned to their new position.
44.	Would there be a situation that there is a need for job skills outside of Job Classifications in the RFP for example – Technical Architect?	If the State requires skills not found within the Job Classifications listed in Contract Attachment A, please see Section A.25 of the <i>pro forma</i> contract for the requirements to obtain those skills.
45.	How many candidate references would you need before hiring the candidate?	In accordance with Section A.11.b.iii of the <i>pro forma</i> contract, two references are required with at least one from a supervisor.
46.	Section 4.8 stipulates that Proposer is to provide proof of adequate worker's compensation and public liability insurance coverage. What is the State's definition of adequate as it pertains to each type of insurance?	<p>As stated in RFP Attachment 6.3, Section A, item A.2, 3rd bullet, the State requires of each Proposer “a copy of a valid certificate of insurance indicating liability insurance in the amount of at least One Million dollars (\$1,000,000).”</p> <p>In addition, the State does reserve the right to require the apparent successful Proposer to provide proof of other forms of insurance, as described in RFP Section 4.8. The adequacy of the insurance will depend upon the particular circumstances in the resulting contract.</p>
47.	Section 5.3.4 stipulates that the State reserves the right, at its sole discretion, to add terms and conditions or to revise the <i>pro forma</i> contract. In the event the State were to exercise this right, would a vendor have the opportunity to enter into any discussion and/or negotiation around the additional terms?	The vendor would have the ability to enter into a discussion; however, any addition or revision to the <i>pro forma</i> contract must be in the State's best interest.
48.	Pro Forma contract section E.19 Hold Harmless: Would the State entertain any legal negotiation around this section in an effort to impose Limits of Liability as it pertains to this section (i.e. Limit damages to amount of fees paid, disclaimer of punitive and consequential damages, etc.)?	Please see response to # 17 above.

C. Delete Section E.2 of the *pro forma* contract in its entirety and insert the following in its place:

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

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The Contractor:

[NAME AND TITLE OF CONTRACTOR CONTACT PERSON]
[CONTRACTOR NAME]
[ADDRESS]
[TELEPHONE NUMBER]
[FACSIMILE NUMBER]

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.